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ASSIGNMENT BOOKLET B

FIN1010

Financial Management 1010: Section 3 Assignment and Section 4 Assignment

FOR STUDENT USE ONLY

Date Assignment Submitted:

Time Spent on Assignment:

(If label is missing or incorrect)

Student File Number:

Course Number: _____

FOR OFFICE USE ONLY

Assigned

Teacher: _____

Assignment

Grading: _____

Graded by: _____

Date Assignment Received:

Student's Questions and Comments

Apply Course Label Here

Name

Address

Postal Code

*Please verify that preprinted label is for
correct course.*

Teacher's Comments

Teacher

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When you are registered for distance learning courses, you are expected to regularly submit completed assignments for correction. Try to submit each section of assignments as soon as you complete it. Do not submit more than one Assignment Booklet in one subject at the same time. Before submitting your section assignments or your Assignment Booklet, please check the following:

- Are all the assignments completed? If not, explain why.
- Has your work been reread to ensure accuracy in spelling and details?
- Is the booklet cover filled out and the correct course label attached?

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CAREER & TECHNOLOGY STUDIES

**ASSIGNMENT
BOOKLET B**

**Financial Information
FIN 1010**



Learning
Technologies
Branch

Alberta
LEARNING

FOR TEACHER'S USE ONLY

Summary

	Total Possible Marks	Your Mark
Section 3 Assignment	45	
Section 4 Assignment	25	
	70	

Teacher's Comments

Financial Management 1010
 Financial Information
 Assignment Booklet B
 Section 3 Assignment and Section 4 Assignment
 Learning Technologies Branch
 ISBN 0-7741-2450-4

This document is intended for	
Students	✓
Teachers	✓
Administrators	
Home Instructors	
General Public	
Other	



You may find the following Internet sites useful:

- Alberta Learning, <http://www.learning.gov.ab.ca>
- Learning Technologies Branch, <http://www.learning.gov.ab.ca/ltb>
- Learning Resources Centre, <http://www.lrc.learning.gov.ab.ca>

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ASSIGNMENT BOOKLET B
FINANCIAL MANAGEMENT 1010 – FINANCIAL INFORMATION
SECTION 3 ASSIGNMENT AND SECTION 4 ASSIGNMENT

Your mark for this course will be determined in part by how well you do your assignments.

This Assignment Booklet is worth 70 marks out of the total 130 marks for the assignments. The value of each assignment and each question is stated in the left margin.

Work slowly and carefully. If you have difficulty, go back and review the appropriate topic.

Be sure to proofread your answers carefully.

45

Section 3 Assignment: Financial Resources

Read all parts of your assignment carefully and record your answers in the appropriate places.

1. Charles is planning a holiday in eastern Canada. He has decided to purchase traveller's cheques for his holiday and pays the bank's fee for the traveller's cheques. As he is leaving the bank, Charles bumps into his friend Cecile, who is also planning a holiday. Cecile has decided to access her automated teller across Canada for her vacation. Charles is now wondering if he did the right thing in purchasing traveller's cheques.

2

- a. List **two** advantages of using the automated teller instead of using traveller's cheques.

2

- b. List **two** advantages of using traveller's cheques instead of using the automated teller.

2. Jaya is a new graduate of the University of Lethbridge. Her graduation announcement appeared in a local paper. A week later, Jaya received a complimentary credit card from a financial institution, welcoming her to the world of work and providing Jaya with a pre-authorized credit limit of \$5000. "Wonderful!" thought Jaya. "Now I can get busy and buy those things I need."

3

- a. What advantage would an institution gain by sending a credit card to someone without first checking that person's credit rating?

③

- b. Do you think Jaya should begin charging on the credit card and use up her \$5000 limit? Explain why or why not.

⑥

3. Helen and Harry Hazard live in an older residential area of Calgary. There has recently been a rash of break-ins, and many of the neighbours have installed bars in their basement windows and deadbolt locks on their doors.

Harry is an autobody mechanic and loves to repaint and detail cars in his attached garage at home on weekends.

Helen and Harry had a baby, Hank, last year, so Helen works from the basement of her home. She is a beautician and specializes in perming and colouring hair. She also has a tanning bed in the basement, which Harry wired.

Both Helen and Harry smoke cigarettes, a habit they began as teenagers and have been unsuccessful in breaking. They both enjoy rich foods and have a slight weight problem.

When the Hazards purchased their home, they were told that the river flowing by their home caused major flooding several years earlier. The Hazard's house had water in the basement during the flood, but it has been dry ever since.

Since the birth of Hank, Harry and Helen have decided to purchase life insurance. They arranged to have their insurance agent visit them on the weekend. The Hazards also decided to consolidate all their insurance policies (car, home, and life insurance) with the same company. When the agent arrived, he found Harry painting a car in the garage, while enjoying a cigarette. Helen was busy in the basement, perming a customer's hair.

List the factors affecting the Hazard home that the insurance agent might consider when offering insurance coverage to the Hazard family. Use the following categories:

- home _____

- car _____

- life _____

15

4. Use the following word list and clues to complete the crossword puzzle on the next page.

assets
capital
charge
chartered bank
collateral

credit
credit bureau
credit union
dividends
equity financing

line of credit
mortgage
overdraft protection
traveller's cheques
trust company

Clues

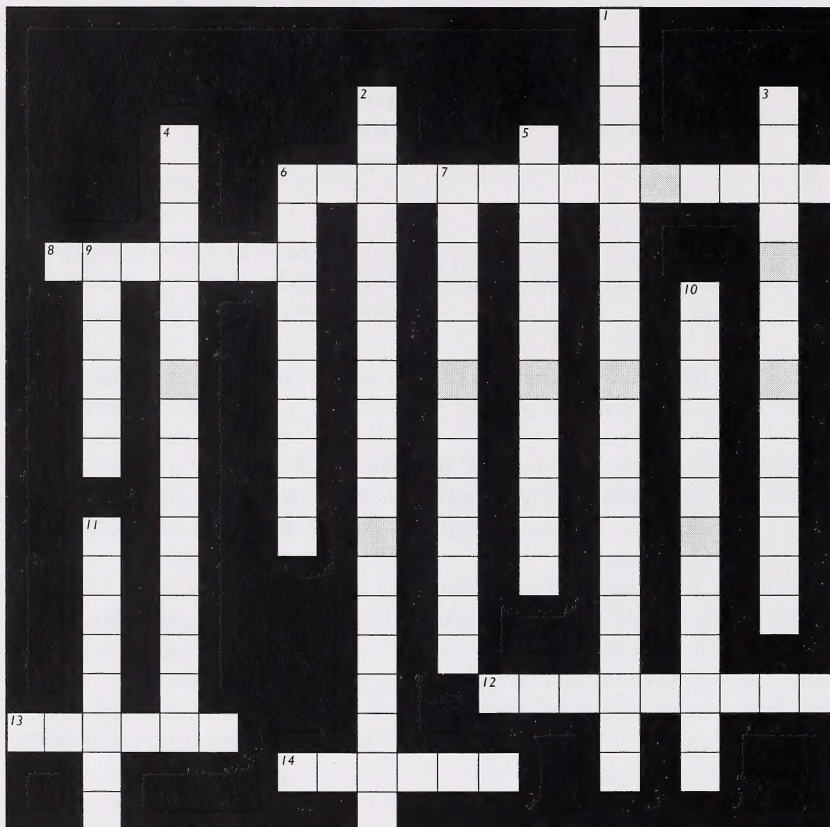
Across

6. financial institution that has a federal license to operate (two words)
8. the original investment by the owners as well as all other equipment
12. payments to shareholders as a share of the company's profits
13. to incur a debt by buying on credit
14. a way to purchase something now but pay for it at a later date

Down

1. occurs when a bank lends a client money to cover a cheque because there is not enough money in the account (two words)
2. drafts purchased from a bank, which guarantee funds when signed again at the time of cashing (two words)
3. pre-arranged credit extended by the bank to the individual or small business (three words)
4. borrowing from friends or relatives in exchange for an interest in the business (two words)
5. a co-operative association that provides banking services to its members (two words)
6. an asset that is used as security for a loan
7. a financial institution that acts like a bank but can also act as a trustee (two words)
9. anything of value owned by a company
10. a business that provides lenders with information about the credit history of a borrower (two words)
11. a loan given for the purchase of buildings or property with the property used as security for the loan

FINANCIAL RESOURCES



- ④ 5. Using the information and forms that follow, complete the cheque register and fill out the necessary cheques to complete the following transactions. The dollar amount must be written in the appropriate Cheque or Deposit column for each entry. Be sure to calculate each new balance after each entry. You have a beginning bank balance of \$1427.91.

June 2 Wrote cheque 542 for \$329 to Maple Leaf Furniture for night table.

June 15 Received monthly salary, which is automatically deposited to your account, in the amount of \$2100.

June 17 Wrote cheque 543 to Trans-Alta Utilities for monthly utilities in the amount of \$101.94.

June 24 Withdrew cash for entertainment in the amount of \$100 from an ATM.

Your Name _____
Your Address _____

_____20
PAY TO
THE ORDER OF \$ _____

DOLLARS
100

THE HOME SHORES BANK
SOMETOWN, ALBERTA
T0A 2Z3

|||...|: 12345 | |...:678999: 999.||00099||.

Your Name _____
Your Address _____

_____20
PAY TO
THE ORDER OF \$ _____

DOLLARS
100

THE HOME SHORES BANK
SOMETOWN, ALBERTA
T0A 2Z3

|||...|: 12345 | |...:678999: 999.||00099||.

Date	No.	Particulars	Cheques		✓	Deposits		Balance	
June 1	/	To Beginning Balance						Cheque or Dep	
		For						Balance	1427 91
		To						Cheque or Dep	
		For						Balance	
		To						Cheque or Dep	
		For						Balance	
		To						Cheque or Dep	
		For						Balance	
		To						Cheque or Dep	
		For						Balance	

10

6. Use the following transactions and form to reconcile the bank statement for Arthur Cleeson for May 31 of the current year. Arthur's bank statement balance was \$1873.60 and his chequebook balance was \$2006.60.
- Arthur made a night deposit after banking hours on May 31. This transaction was not recorded on the May bank statement. The amount of the deposit was \$450.
 - The following cheques were outstanding at the end of the month: cheque 112, \$70.00; cheque 119, \$16.80; cheque 128, \$77.40; cheque 129, \$186.50.
 - The bank charged Arthur \$15.20 for service charges for the month, and Arthur purchased new printed cheques for a cost of \$18.50.

BANK RECONCILIATION STATEMENT	
For the Month of _____, 20__	
Bank Statement Balance:	\$ _____
Add outstanding deposits:	

_____	\$ _____
Subtotal:	\$ _____
Deduct outstanding cheques:	

_____	\$ _____
Adjusted Bank Statement Balance:	
(This total should agree with your adjusted chequebook balance.)	\$ _____
Chequebook Balance:	\$ _____
Less:	
Service Charges _____	
Other Charges _____	\$ _____
Adjusted Chequebook Balance:	\$ _____
Difference:	\$ _____
If the two balances do not agree: 1. Check the additions, subtractions, and corrections on the reconciliation and in your chequebook. 2. Verify the balance forwarded from page to page of your chequebook.	

25

Section 4 Assignment: Government Legislation

Read all parts of your assignment carefully and record your answers in the appropriate places.

6

1. Siem and Trin are university students. They are planning to operate a mobile business as vendors of gourmet hot dogs and specialty coffees. They plan to rent the vending cart and operate it in an unused corner of the downtown park. The cart is self-contained with electricity and water.

If you were in charge of issuing licences for street vendors, what factors would you consider?

One factor has been provided for you. You are to provide **three** more factors for consideration. Be certain the factors you provide are not ones that would be of interest only to the students themselves. Consider things that are essential to any business, especially to the needs of the customers and the environment.

- Factor 1: How many other street vendors have already been given licences? It might become overcrowded for the park users if there are too many mobile vendors.

- Factor 2: _____

- Factor 3: _____

- Factor 4: _____

⑥

2. Arnold has been fishing at Seecumpah Lake for the past forty years. He has a cabin on the lake and has enjoyed getting up early in the morning, going out to the lake, and catching a fish or two for lunch that day. One morning, Arnold is approached by a wildlife officer who advises Arnold that he will have to purchase a fishing licence to fish in the lake. Arnold is upset. "What nonsense! I have been fishing here for forty years!" The officer explains to Arnold why a licence is now required to fish in Seecumpah Lake.

List **two** reasons why a licence would be required.

- Reason 1: _____

- Reason 2: _____

⑥

3. Isabel is a high school student who works as a hostess at a local restaurant where she earns \$7 per hour. Isabel receives one free meal with each shift she works, and she works approximately 20 hours per week. She has income tax, Canada Pension Plan, and Employment Insurance deducted from her weekly cheque; these generally amount to approximately 15 percent of her cheque. Isabel's uncle Frank has offered her a position in his restaurant. Frank has stated that he will not include Isabel on his payroll but will just pay her a lump sum of \$90 each week.

List **two** advantages and **two** disadvantages of this offer for Isabel.

- advantages: _____

- disadvantages: _____

7

4. In Section 4 you learned about many different programs that are available to assist individuals and businesses. Some of these programs and their purposes are listed below. Match the name of the program in the left column with the purpose of the program in the right column.

Program	Purpose of Program
a. Alberta Financial Services Corporation	_____ to improve the service, organization, and profit structure of small business by offering private-sector management counselling
b. Alberta Export Agency Loan Guarantee Program	_____ to assist agricultural manufacturers, processors, and exporters
c. Alberta Environmental Research Trust	_____ to assist permanently disabled persons
d. Alberta Management Assistance Program	_____ to promote the development of resources and diversification of the Alberta economy
e. Long-Term Management Assistance Program	_____ to provide businesses with access to professional, private-sector management consulting
f. Vocational Rehabilitation of Disabled Persons	_____ to expand applied research to protect and improve the environment
g. Alberta Agriculture, Food and Rural Development	_____ to aid in obtaining export sales

